

Houston: Garage facilities are involved here.

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[REDACTED]: We are renting a building in [REDACTED], consisting of 7,000 sq. ft., space adequate for 34 cars for overnight storage. On hand, we have a total of 84 passenger cars and trucks and 4 trailers, the bulk of which are not getting inside storage. We have known of the problem for a long time, but have tried to stay [REDACTED] because of proximity to warehouse and CIA. As Larry knows, we had been negotiating a year or so ago in connection with condemnation of [REDACTED]. Part of the deal with the owner was that he would turn part of the winery over to us. A fellow is there with a lease, and various complications came up. As a result, the fellow is staying there for at least one and one-half years. Our object is to gain exclusive control of property for security and other reasons. The fellow is pretty difficult. [REDACTED] had a building constructed in 1943 for our use and lease at a cost of \$4800 per year. He had another piece of land one-half a block from the garage and has gone ahead with construction of a building. He has had some fifteen to twenty offers from people to rent. He tried to get in touch with me several times. We finally got together and took a look at the building for the first time. [REDACTED] has been offered a lease in amounts in excess of what he is asking us to pay, but feels that the Government is reliable. The building has two stories and will be completed around the

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15th of December, but I feel it will be closer to January.  
The new building would be leased at a cost of \$1250 per month or \$15,000 per year.

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What are we paying now?

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\$400 a month or \$4800 a year. Of course, there is a difference of about almost three times as much storage space. In connection with parking cars, another factor I failed to mention is that we are always buying cars for

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so from 5 to 15 cars are parked on the lot and sit around for 3, 4, or 5 months and deteriorate.

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Do we have money?

Saunders: Yes.

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What about alterations?

Some money will be required for alterations -- part in the office, and we will have to put in our own wash rack, grease rack, and paint shop. We can tear down what we have in the present building and transfer.

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is an educated fellow, and one can't talk to him in same manner as other people. We may have to pay the cost of utilities. My original offer was for \$1000 per month.

the  
Houston: Is the rental within/statutory limitation?

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We will have to have the property assessed. 10% would give \$14,000.

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: What do we have in the budget to apply?

Saunders: I will have to look -- just how much I don't know.

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About \$9300, I think.

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[REDACTED] Will that cancel out our other lease as of the first?

[REDACTED]: That's right.

Saunders: Net increase of \$10,000 from what we are paying now.

Houston: Are you sure improvements can be worked out within statutory limitations.

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[REDACTED]: Yes. We can then take our gas pump from [REDACTED] and put [REDACTED] along side. 25X1A6a

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[REDACTED] In addition to leasing, can you keep within your budget for alteration costs so that you won't need to run additional sums through the P.R.C.?

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[REDACTED] Yes.

[REDACTED] How long is the lease for?

[REDACTED] Year to year for a period of ten years. If in the meantime the value goes down, we can renegotiate.

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[REDACTED] If approved, some contingencies should be applied -- whether we are within the legal limitation for rental -- and that the reimbursements will be within statutory limitations.

Houston: Do you think you can get figures on cost or get an appraisal?

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[REDACTED] et appraisals.

[REDACTED]: Larry, forward the project with contingencies.

[REDACTED] authorized to go ahead with negotiations for the new lease?

[REDACTED]: Yes, go ahead.